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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/823,036

Applicant(s)

KATHULA ET AL.

Examiner

Elias Desta

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 12 January 2006.
- 2a) ☒ This action is FINAL. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-9 and 11-80 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-9 and 11-80 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 12 April 2004 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- ☐ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- ☐ Notice of Informal Patent Application (PTO-152)
- ☐ Other: _____

Detailed Action

Explanation of rejection

Claim rejection – 35 U.S.C. § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-9 and 11-63 are nonstatutory because "a method of scoring" appears to be a process that takes and compares the process outputs to the values of the last set of process inputs and storing the results of the comparison, which does not constitute a manipulation of tangible physical objects and result in the object having a different physical structure or attribute.

In summary, statutory process inventions are: a process is statutory if it requires physical acts to be performed outside the computer independent of and following the steps to be performed by a programmed computer, where those acts involve the manipulation of tangible physical objects and result in the object having a different physical attribute or structure. Diamond v. Diehr, 450 U.S. at 187, 209 USPQ at 8. Thus, if a process claim includes one or more post-computer process steps that result in a physical transformation outside the computer (beyond merely conveying the direct result of the computer operation), the claim is clearly statutory.

Instances of claims that do not achieve a practical application include:

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- Step of "updating alarm limits" found to constitute changing the number value of a variable to represent the result of the calculation (Parker v. Flook, 437 U.S. 584, 585, 198 USPQ 193, 195 (1978));
- Final step of "equating" the process outputs to the values of the last set of process inputs found to constitute storing the result of calculations (In re Gelnovatch, 595 F.2d 32, 41 n.7, 201 USPQ 136, 145 n.7 (CCPA 1979);
- Step of "transmitting electrical signals representing" the result of calculations (In re De Castelet, 562 F.2d 1236, 1244, 195 USPQ 439, 446 (CCPA 1977) ("That the computer is instructed to transmit electrical signals, representing the results of its calculations, does not constitute the type of 'post solution activity' found in Flook, [437 U.S. 584, 198 USPQ 193 (1978)], and does not transform the claim into one for a process merely using an algorithm. The final transmitting step constitutes nothing more than reading out the result of the calculations.")); and
- Step of displaying a calculation as a gray code scale (In re Abele, 684 F.2d 902, 908, 214 USPQ 682, 687 (CCPA 1982)).

In the instant application, "a method of scoring" does not appear to be used to manipulate tangible physical object and result in the object having a different physical attribute or structure. The computed or the score value mainly relay on the very nature of subjective judgment where the base and the maximum defect type are defined. The outcome is a computed score value based on subjective analysis; therefore, it is not

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consistent. An inconsistent method of scoring is not concrete, tangible or useful. As noted above, "a method of scoring" is a process that takes and compares the process outputs (based on subjective analysis) to the values of the last set of process inputs and storing the results of the comparison. At best, the instant method is more of a survey than a consistent and objective scoring method.

Claim rejection – 35 U.S.C. § 102

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) The invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. Claims 1-63 are rejected under 35 U.S.C. 102(b) as anticipated by McDonald et al. (NRC – CNRC Publication, ' Condition Assessment and Rehabilitation of Large Sewers', hereon McDonald).

In reference to 1, 11, 22, 41, 50, 56 and 63: McDonald teaches a method for scoring a defect type of a pipe (see McDonald, page 361, abstract). The method includes:

- Receiving a defect type and an extent for the defect type of a pipe based on at least one defect of the pipe (see McDonald, page 363, last paragraph to page 364 first two paragraphs).

- Providing a base defect type score (light), a maximum defect (severe) type score and a maximum extent (such as gushing or spurting) that is specific to the defect type (see McDonald, page 364, Table 2).
- Calculating a score for the defect type that is between the base defect type score and the maximum defect type score based on the relationship between the extent of the defect type and the maximum extent of the defect type (see McDonald, page 365 last paragraph to page 366, Tables 5-8); and
- McDonald further teaches that the defect type has a defect category (Defect Type.classification, that includes crack), defect form (code), and defect severity (weight) (see McDonald, page 365, Table 3).

Calculating a grade for the pipe that is based on a root-mean-square combination of a highest defect type score of the defect types and an average defect type score of the remaining defect types is considered a statistical evaluation method because McDonald in page 368, Summary, end of the 2nd paragraph includes collecting sewer pipe related data which are used for the development and verification of statistical models of assessing sewer deterioration and predicting its remaining service life.

With regard to claim 2: McDonald further inherently includes that the relationship is a ratio value of the received extent of the defect type to the maximum extent of the received defect type because McDonald in page 366, Table 6 shows that the rating from 0 to 5 as a weighted value.

With regard to claim 3: McDonald further teaches that the defect type is a continuous defect type and the maximum extent is segment length (see McDonald, page 365, Tables 3 and 4).

With regard to claim 4: McDonald further teaches that the received extent of the defect type is the length of the continuous defect of that defect type because McDonald includes longitudinal, circumferential, and diagonal defective types (see McDonald, page 365, Table 4).

With regard to claims 6 and 8: McDonald inherently includes that the defect type is a point defect type and the maximum extent is a number of occurrences of the defect type because defect prioritization is carried out based on the frequency of the next inspection and condition assessment (see McDonald, page 362, Figure 1 and page 365, page 4).

With regard to claim 7: McDonald further teaches that the maximum extent is the number of sections in the pipe (see McDonald, page 365, Table 3, structural defect types, codes and weights).

With regard to claim 12: McDonald further teaches that the defect forms include longitudinal, circumferential, multiple and spiral (diagonal) (see McDonald, page 365, Tables 3 and 4).

With regard to claim 13: McDonald further teaches that the defect severities different sizes of fractures which are equivalent to hairline or tight type of deformation.

With regard to claim 14: McDonald further teaches that the defect type has defect group based on the size of fractures (see McDonald, age 365, Table 3).

With regard to claim 15: McDonald further teaches that the defect groups include structural and maintenance (see McDonald, Table 3, Fracture and Surface Damage).

With regard to claim 16: McDonald further teaches that the score value ranges from 0-20 for structural related condition and 0-10 scores for service condition rating (see McDonald, page 366, Tables 6 and 7). The claimed range is 0-100, which is a matter of choice to assess a given condition of a pipe or sewer. Hence, the range of values used both in the prior art and the claimed inventions are design choices.

With regard to claims 17, 18, 46 and 47: McDonald further teaches that the base defect type score and the maximum defect type score vary based on material of the pipe because the example given in Fig. 3 of McDonald are for metal pipe; however, McDonald in page 367 also includes concrete pipes ranging from 750 to 900 mm in diameter.

With regard to claim 19: McDonald further teaches that the defect type score, a maximum defect type score (peak score), and maximum extent (condition rating) are provided for each of a plurality of defect types (see McDonald, page 367, Table 12).

With regard to claim 20: McDonald further teaches that the defect type score is based on multiple defects of that defect type because the inspection frequency provides impact rating and condition state of various degrees (see McDonald, page 366, Table 366).

With regard to claim 21: McDonald further teaches that the sum of the extent of a defect type is the extent of each defect of that type limited to the maximum extent (total score) for that defect type (such as IL or EL) (see McDonald, page 367, Table 12).

In reference to claims 3, 5, 9, 23-37, 42-45, 48, 49, 51-55 and 57-63: the claimed invention deals with a statistical analysis for scoring a defect type of a pipe. McDonald also carries out an analysis where a sewer condition data is used for the development and verification of statistical models that help to assess sewer deterioration and predict the pipes' remaining service life (see McDonald, page 368, 2nd column, first paragraph under 'Summary')

With regard to claims 38-40: McDonald further teaches that the pipe includes conduits for wastewater and manhole because McDonald uses sewer system to carry wastewater (see McDonald, page 361, Abstract and Introduction, last three lines of the first paragraph).

Examination of Newly added Claims

4. Claims 64-80 are rejected under 35 U.S.C. 102(b) as anticipated by McDonald et al. (NRC – CNRC Publication, ‘ Condition Assessment and Rehabilitation of Large Sewers’, hereon McDonald).

In reference to claim 64, 69 and 74: McDonald teaches a system for scoring a defect type of a pipe (see McDonald, page 361, abstract). The system includes:

- A component for receiving a defect type and an extent for the defect type of a pipe based on at least one defect of the pipe (see McDonald, page 363, last paragraph to page 364 first two paragraphs).
- A compound for providing a base defect type score (light), a maximum defect (severe) type score and a maximum extent (such as gushing or

spurting) that is specific to the defect type (see McDonald, page 364, Table 2).

- A component for calculating a score for the defect type that is between the base defect type score and the maximum defect type score based on the relationship between the extent of the defect type and the maximum extent of the defect type (see McDonald, page 365 last paragraph to page 366, Tables 5-8).

Calculating a grade for the pipe that is based on a root-mean-square combination of a highest defect type score of the defect types and an average defect type score of the remaining defect types is considered a statistical evaluation method because McDonald in page 368, Summary, end of the 2nd paragraph includes collecting sewer pipe related data which are used for the development and verification of statistical models of assessing sewer deterioration and predicting its remaining service life.

With regard to claim 65: McDonald further inherently includes that the relationship is a ratio value of the received extent of the defect type to the maximum extent of the received defect type because McDonald in page 366, Table 6 shows that the rating from 0 to 5 as a weighted value.

In reference to claims 66, 67, 70-72 and 75-80: the claimed invention deals with a statistical analysis for scoring a defect type of a pipe. McDonald also carries out an analysis where a sewer condition data is used for the development and verification of statistical models that help to assess sewer deterioration and predict the pipes'

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remaining service life (see McDonald, page 368, 2nd column, first paragraph under 'Summary')

With regard to claims 68 and 73: McDonald further teaches that the sum of the extent of a defect type is the extent of each defect of that type limited to the maximum extent (total score) for that defect type (such as IL or EL) (see McDonald, page 367, Table 12).

Response to Argument

5. Applicant's arguments filed on January 19, 2006 have been fully considered but they are not persuasive.

Rejection under 35 U.S.C. 101

As explained above, claims 1-9 and 11-80 are nonstatutory because "a method of scoring" appears to be a process that takes and compares the process outputs to the values of the last set of process inputs and storing the results of the comparison, which does not constitute a manipulation of tangible physical objects and result in the object having a different physical structure or attribute.

Further, "manipulation of data in a computer is not, in and of itself, sufficient for establishing that a claim is statutory. Likewise, a physical act is not necessarily a physical transformation. A physical act may, however, provide a useful, concrete and tangible result to establish patent-eligible subject matter. An example of physical transformation rendering a practical application of a judicial exception statutory is a claim to manufacturing a tire by curing rubber, where the curing time is

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calculated according to a mathematical equation". In the instant case, "a method [system or component or program] that calculates scores for the defect type that is between the base defect type score and the maximum defect type score based on a relationship between the extent of the defect type and the maximum extent of the defect type" as such does not constitute a manipulation of tangible physical objects and result in the object having different physical structure or attribute.

Applicant has cited *State Street Bank & Trust Co. v Signature Financial Group Inc.*, 149 F. 3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998). In *State Street*, "the invention calculates and stores data representing: the percentage share that each Spoke fund [mutual funds] holds in the Hub portfolio [an investment portfolio]; any daily activity affecting the portfolio's assets; allocations of gains, losses and expenses to each of the Spoke member funds; and tracking and updating data that are used to determine aggregate year-end income, gains, losses, and expenses for accounting and tax purposes".

In the instant application, "a method of scoring" does not appear to be used to manipulate tangible physical object and result in the object having a different physical attribute or structure. The computed or the score value mainly relay on the very nature of subjective judgment where the base and the maximum defect type are defined. The outcome is a computed score value based on subjective analysis; therefore, it is not consistent. An inconsistent method of scoring is not concrete, tangible or useful. As noted above, "a method of scoring" is a process that takes and compares the process outputs (based on subjective analysis) to the values of the last set of process inputs and

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storing the results of the comparison. At best, the instant method is more of a survey than a consistent and objective scoring method.

In the instant case nothing remotely close is been done to meet 101 statutory requirements even considering the case laws and the interim guidelines.

Rejection under 35 U.S.C. 102

Unlike the Applicant's assertion, McDonald teaches "providing a defect type score range [peak score range as noted in table 6 of McDonald] ... and a maximum extent [peak score as noted in Table 5 of McDonald] that is specific to the defect type [better characterized in Table 12 of McDonald as "defect"] and calculating a score [cumulative, total, peak or condition rating] for the defect type based on the relationship between the extent of the defect type and the maximum possible extent of the defect type"(see McDonald, Tables 10, 11 and 12).

Applicant's assertion that the instant application provides a method for "grading pipes using root-mean-square combination of the highest defect type score of the defect types and an average defect type score of the remaining defect types" is nothing more than a well known statistical analysis method. McDonald's summary (see page 368, section 4), which states that the collected data have been given assessment ratings, weights and scales that are used in most statistical analysis.

Conclusion

6. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

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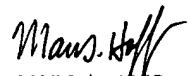
A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Elias Desta whose telephone number is (571)-272-2214. The examiner can normally be reached on M-Th (8:30-7:00).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Marc S. Hoff can be reached on (571)-272-2216. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Elias Desta


MARC S. HOFF
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2800